GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:299
ANSWERED ON:22.02.2001
FOREIGN PRIVATE PARTICIPATION IN DEFENCE SECTOR
GADDE RAMAMOHAN;M. JAGANNATH;M.V.V.S MURTHI;MINATI SEN;PAWAN KUMAR BANSAL

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government propose to allow foreign and domestic private sector to produce defence equipments in the country;

(b) if so, the details thereof and the reasons therefor;

(c) the details of the action-plan chalked out in this regard, including the extent of foreign equity permissible; and

(d) the details of defence items proposed to be produced in the private sector?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (d): As per the existing industrial policy, manufacture of arms, ammunition and allied items of defence equipment, defence aircraft and warships is reserved for the public sector. Non-lethal stores required by the Armed Forces and raw materials, semi-finished products, components and sub-systems required by Ordnance Factories and Defence PSUs are being procured from the private sector. In the quest for self-reliance, the private sector shall continue to be associated in defence production with suitable changes in policy and procedures which may include foreign equity if and when required.